IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1975

No. 75-1342

PLASTILITE CORPORATION,
Petitioner,

vs.

AIRLITE PLASTICS CO.,
Respondent.

PETITION FOR A WRIT OF CERTIORARI

To the United States Court of Appeals
for the Eighth Circuit

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Petitioner, Plastilite Corporation, prays that a writ of certiorari issue to review the decision of the United States Court of Appeals for the Eighth Circuit entered in the above-entitled cause on December 18, 1975.

OPINIONS BELOW

The memorandum opinion entered January 30, 1975 by the United States District Court for the District of Nebraska, Judge Denney presiding, Civil Action No. 73-O-149, has been un-

officially reported at 390 F.Supp. 1141, 185 USPQ 313. The order in accordance with the memorandum was filed on February 26, 1975, and has not been reported.

On December 18, 1975, the opinion of the Court of Appeals for the Eighth Circuit, reversing the lower court, was entered. This opinion has not been reported as yet. A petition for re-hearing was denied on January 23, 1976.

Copies of the memorandum opinion, order, opinion on appeal, and denial of the petition for re-hearing are printed in the Appendix hereto.

JURISDICTION

Jurisdiction of this Court is invoked under Title 28, United States Code, Section 1254(1).

QUESTIONS PRESENTED

1. Where the trier of the fact made a first finding of fact in determination of patent validity as to certain alleged prior art, which finding was to the effect of nonobviousness; made a second finding of fact, nevertheless, that said alleged prior art was not a part of the prior art; and then concluded that the claim in question was valid under 35 U.S.C., Section 103; where the Appellate Court found the second finding of fact clearly erroneous, and declared that the alleged prior art was a part of the prior art and then concluded that the patent was obvious, can the Appellate Court ignore the first finding of fact and substitute its own judgment contrary to the first finding of fact of the lower court, where the Appellate Court did not declare the first finding to be clearly erroneous?

2. May the Appellate Court substitute its judgment as to the credibility of expert witnesses and the weight of expert testimony for that of the trier of the facts?

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STATUTES INVOLVED

35 U.S.C. § 103. Conditions for patentability; non-obvious subject matter

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made. July 19, 1952, c. 950, § 1, 66 Stat. 798.

STATEMENT OF THE CASE

Nature of the Action

The case involves a claim by Petitioner of patent infringement of claims 1 and 2 of U. S. Patent No. Re.26,096 issued October 11, 1966 to Frederick A. Lambach, entitled Fishing Float, assigned to Petitioner, said claim of infringement being directed against the manufacture, use and or sale of a comparable float by Respondent.

The Parties

The Petitioner is Plastilite Corporation, a Nebraska Corporation of Omaha, Nebraska; and the Respondent is Airlite Plastics Co., a Nebraska Corporation of Omaha, Nebraska.

The Proceedings Below

Plaintiff filed a complaint in the United States District Court for the District of Nebraska on February 28, 1973, alleging, among other issues not relevant hereto, infringement of the patent in suit. Defendant's answer challenged, among other matters not relevant here, the validity of the said patent.

A non-jury trial was held before Judge Denney of the District Court and on January 30, 1975 Judge Denney issued a memorandum opinion that stated, among other matters not relevant hereto, that claims 1 and 2 of the patent in suit were valid and infringed. On February 26, 1975, an order was entered by Judge Denney to that effect.

Appeal was appropriately taken by Defendant to the Eighth Circuit as to the findings of validity and infringement; briefs were filed, oral hearing was held, and on December 18, 1975 the Court of Appeals for the Eighth Circuit reversed the District Court as to the finding of validity of the patent in suit, declaring claims 1 and 2 invalid, and found it further unnecessary to consider the infringement issue, and others.

A petition for re-hearing was filed by Petitioner before the Eighth Circuit, and was denied on January 23, 1976.

The facts as to Issue No. 1.

The pertinence of Plaintiff's, now Petitioner, Exhibit No. 61 as to (1) its teachings in regard to obviousness, and (2) whether or not it was prior art as to the patent in suit, was a source of great testimony during the trial.

As to (1) the Trial Court made Finding of Fact No. 15 as follows:

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> "15. Plaintiff's Exhibit Number 61 is a spherical bobber bearing the inscription 'Buckeye Bait Corp., Miamisburg, O.' This bobber has a 270° arcuate groove in the plunger for receiving the free end of the wire hook. Between the ends of the groove is a hole for receiving the free end of the wire hook. The depth of the groove is such that the wire hook will slidably contain the fishing line. However, the depth of the hole is such that the fishing line is gripped by the wire hook."

The lower court found no teaching by Exhibit No. 61 as to automatic assembly, thus equating the exhibit to the references of Schmidt (582) and Marsh (999) both references found unsuitable for automatic assembly (see Memorandum Opinion, Conclusions of Law—appendix); and the lower court found Exhibit No. 61 to have a groove and a hole of varying depths in which the free end of the wire hook was receivable, comparable to Cowsert (410) and Schmidt (581), neither of which were found to render the patent in suit obvious. Finding No. 15 was clearly a finding of fact of nonobviousness as to Plaintiff's Exhibit No. 61.

Finding of Fact No. 16 was as follows:

> "Plaintiff's Exhibit Number 61 [Buckeye Bait Bobber] is of uncertain origin and the Court cannot find that this bobber was in the public domain prior to 1963 when the plaintiff's patent application was filed."

In its opinion on this point, the Court of Appeals for the Eighth Circuit found that Finding of Fact No. 16 was clearly erroneous such that Plaintiff's Exhibit No. 16 was part of the prior art. The Circuit Court then proceeded to analyze the Plaintiff's Exhibit 61 as to the question of whether or not its teachings rendered claim 1 in suit obvious, completely ignoring the Finding of Fact No. 15 on this very point by the lower court, the trier of the fact. Furthermore, such determination

as to the teachings of Plaintiff's Exhibit No. 61, a result of which was completely converse the finding of the lower court on this issue, was made without declaring the Finding of Fact No. 15 to be clearly erroneous.

The facts as to Issue No. 2.

There is absolutely no evidence from the memorandum opinion of the lower court as to its treatment of the credibility of any of the witnesses, whether pro or con patent validity, or as to the weight—if any, given to their testimony.

Yet the Circuit Court leaned heavily on such credibility and weight even to the extent that—contrary to the findings and conclusion of the lower court, the Circuit Court declared that even if Plaintiff's Exhibit 61 (see Point No. 1) "were not a part of the prior art" the Circuit Court thought that ". . . we think the improvement represented by the Lambach patent was obvious to those skilled in the art."

To gain this conclusion of their own—which is in direct opposition to that of the actual trier of the facts, the Circuit Court determined that Plaintiff's expert Orr:

> ". . . was equivocal or doubtful when asked on cross-examination whether the annular groove was an obvious solution to the automation problem."

Such a statement on the part of the Circuit Court clearly shows that it is substituting its own judgment as to the credibility of an expert witness for that of the trier of the facts.

From its finding of patent validity, and from the complete lack of comments as to any expert testimony, the lower court either (1) ignored the experts or (2) believed the Plaintiff's expert Orr to be more credible than Defendant's expert Di-Mauro.

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REASONS FOR GRANTING OF THE WRIT

1. The Decision as to Question No. 1 Below Is Inconsistent With Applicable Supreme Court Decisions and Those of Other Circuit Courts.

The Circuit Court would ignore a finding of fact (No. 15) of the District Court, which finding went to non-obviousness of the invention in suit, substitute its own which is to the contrary, all without declaring the finding of fact clearly erroneous (Fed. R. Civ. P. 52(a)). Although the "clearly erroneous" standard of review does not apply in reviewing determinations of obviousness under 35 U.S.C. 103, the Trial Court's determination of the scope and content of the prior art as set forth in Finding of Fact No. 15 *is* subject to such standard of review. *Graham v. John Deere Co.*, 383 U. S. 1, 17, 148 USPQ 459, 467 (1966); *Anderson's Black Rock v. Pavement Co.*, 396 U.S. 57, 163 USPQ 673 (1969).

By the findings of the Circuit Court that fact No. 17 was "clearly erroneous," it could reverse the finding placing Plaintiff's Exhibit No. 61 into the prior art to be considered. As Plaintiff's Exhibit No. 61 was, nevertheless, considered by the lower court and a finding rendered thereon—namely, Finding of Fact No. 16, the Circuit Court could not ignore such finding without finding it also "clearly erroneous," much less overrule it summarily without further comment.

If permitted to stand, the Eighth Circuit's position would be in direct conflict with the decision on this point of the Supreme Court, would further be contrary to the federal statutory law on this point under Rule 52(a), Fed. R. Civ. P., and would also be in conflict with the decisions of the many other circuit courts as reported in the case of *Flour City Architectural Metals v. Alpana Aluminum Products, Inc.*, 454 F.2d 98, 172 USPQ 341 (CA 8, 1972).

2. **The Decision Below as to Question No. 2 Reverses the Position of the Eighth Circuit and Renders It Inconsistent With the Supreme Court.**

The Circuit Court clearly substituted its judgment for that of the lower court, the actual trier of the facts who heard the testimony of the two witnesses Orr and DiMauro. In view of the findings and conclusions of the lower court as to concluding that the invention was non-obvious, although the lower court made no comment it must be assumed that it found more credible the testimony of witness Orr who testified that the invention was non-obvious, as compared to the testimony of DiMauro who testified that the invention was obvious.

Conversely, the Circuit Court declared the testimony of Orr to be:

> ". . . equivocal or doubtful when asked on cross-examination whether the annular groove was an obvious solution to the automation problem."

then stating

> "We think the evidence supports our view that use of an annular groove in the plunger of a fishing float was an obvious solution to the problems facing the industry."

In *Gasifier Manufacturing Co. v. General Motors Corporation*, 138 F.2d 197, 59 USPQ 259 (CA 8, 1943), the Eighth Circuit stated as to this point:

> "The credibility of expert witnesses and the weight of expert testimony is ordinarily for the trier of the facts to determine. (with citations)."

To hold otherwise, as has been done by the Eighth Circuit in the instant case, would further conflict with the position of the Fifth Circuit in *Ziegler v. Phillips Petroleum Co.*, 483 F.2d 858, 177 USPQ 481, cert den 180 USPQ 1 (CA 5, 1973). There the court stated

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> "Similarly, appellate courts must rely heavily upon the findings and credibility choices made by trial courts. Otherwise, we would be thrust into the position of reconsidering credibility and resolving conflicts in expert testimony, a position that mistakes this Court's function. American Seating Co. v. Southeastern Metals Co., 412 F.2d 756, 162 USPQ 329 (5th Cir. 1969); compare Rule 52(a), F.R. Civ. P."

It is therefore respectfully submitted that the position of the Eighth Circuit taken in the instant case reverses its own former position on this point, and places it in direct conflict with the Fifth Circuit. It is submitted that in such circumstance the grant of certiorari would be in order.

CONCLUSION

For the reasons above set forth, this petition for writ of certiorari should be granted.

Respectfully submitted

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